



Reprinted
February 26, 2007

SENATE BILL No. 400

DIGEST OF SB 400 (Updated February 26, 2007 4:30 pm - DI 113)

Citations Affected: IC 5-28; IC 6-3.1; IC 22-4; IC 22-4.1; noncode.

Synopsis: Basic workforce skills training. Provides a tax credit against certain state taxes for expenditures made by an employer to pay or reimburse an employee for the costs of tuition and fees for basic skills education and training. Establishes the workforce skill advancement project (project), a program to assess an individual's basic occupational skills and to provide remedial training if the assessment uncovers deficiencies in the individual's occupational skills. Provides that the department of workforce development shall administer the project. Provides that an individual who seeks unemployment benefits shall participate in the project.

Effective: Upon passage; January 1, 2007 (retroactive); July 1, 2007.

Ford, Merritt

January 11, 2007, read first time and referred to Committee on Tax and Fiscal Policy.
February 8, 2007, amended, reported favorably — Do Pass.
February 12, 2007, read second time, ordered engrossed.
February 13, 2007, engrossed.
February 15, 2007, returned to second reading.
February 26, 2007, reread second time, amended, ordered engrossed.

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SB 400—LS 7781/DI 51+



First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 400

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-28-27-3, AS ADDED BY P.L.202-2005,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 3. (a) The skills 2016 training fund is established
4 to do the following:

5 (1) Administer the costs of the skills 2016 training program
6 established under IC 22-4-10.5.

7 (2) Undertake any program or activity that furthers the purposes
8 of IC 22-4-10.5.

9 (3) Refund skills 2016 training assessments erroneously collected
10 and deposited in the fund.

11 (b) **Except as provided in IC 22-4.1-17**, the money in the fund
12 shall be allocated as follows:

13 (1) An amount to be determined annually shall be set aside for the
14 payment of refunds from the fund.

15 (2) The remainder of the money in the fund shall be allocated to
16 employers or consortiums for incumbent worker training grants
17 that enable workers to obtain recognizable credentials or

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certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to the state educational institution established under IC 20-12-61 to be the provider of the training funded under this chapter whenever the state educational institution:

(1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and

(2) is the most cost effective provider.

(d) For the incumbent worker training grants described in subsection (b), the department of workforce development shall do the following:

(1) Provide grant applications to interested employers and consortiums.

(2) Accept completed applications for the grants.

(3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:

(A) the applicant;

(B) the training to be offered;

(C) the training provider; and

(D) the workers to be trained.

(4) Prepare summaries or other reports to assist the secretary of commerce in reviewing the grant applications.

(e) The department of workforce development shall forward the grant applications and other information collected or received by the department under subsection (d) to the secretary of commerce who shall allocate the money in the fund in accordance with subsections (b) and (c), after considering the information provided by the department of workforce development.

(f) The corporation shall enter into an agreement with the department of workforce development for the department of workforce development to administer the fund using money appropriated from the fund.

(g) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(h) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(i) The fund consists of the following:

(1) Assessments deposited in the fund.

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(2) Earnings acquired through the use of money belonging to the fund.

(3) Money deposited in the fund from any other source.

(4) Interest and penalties collected.

(j) Any balance in the fund does not lapse but is available continuously to the corporation for expenditures for the program established under IC 22-4-10.5 consistent with this chapter, after considering any information concerning an expenditure provided by the department of workforce development.

SECTION 2. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:

Chapter 31. Basic Skills Training Course Tax Credit

Sec. 1. As used in this chapter, "credit" refers to a tax credit against state tax liability.

Sec. 2. As used in this chapter, "employer" has the meaning set forth in IC 22-4-7.

Sec. 3. As used in this chapter, "pass through entity" means a:

(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) partnership;

(3) limited liability company; or

(4) limited liability partnership.

Sec. 4. As used in this chapter, "qualified employee" means an individual in an employment relationship (as defined in IC 22-4-8-1) with a qualified employer.

Sec. 5. As used in this chapter, "qualified employer" means an employer that has been awarded a credit under section 8 of this chapter.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total state tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premium tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

Sec. 8. (a) The department of workforce development shall carry out a program to qualify employers for a credit of not more than fifty thousand dollars (\$50,000) per taxable year for fifty

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percent (50%) of a qualified employer's cost for all qualified employees' expenses for tuition and regularly assessed fees, not to exceed five hundred dollars (\$500) per qualified employee, that are incurred to complete basic skills training courses.

(b) For each specified state fiscal year, the department of workforce development may award not more than the following amounts of tax credits under this chapter:

(1) For the state fiscal year beginning July 1, 2007, five million dollars (\$5,000,000).

(2) For the state fiscal year beginning July 1, 2008, the sum of:

(A) two million five hundred thousand dollars (\$2,500,000); plus

(B) the amount by which the subdivision (1) amount exceeds the amount of tax credits that the department awards under this chapter during the state fiscal year beginning July 1, 2007.

(c) The department of workforce development shall determine the:

(1) qualifications for an award of credits under this chapter;

(2) amount of credits to be awarded to each qualifying employer; and

(3) tuition and regularly assessed fees that are eligible for the credit under this chapter.

(d) The department of workforce development shall process employer applications for an award of credits under this chapter in the order the applications are received. If the department of workforce development determines that an employer applicant meets the qualifications developed under subsection (c)(1), the department of workforce development shall immediately certify the employer for an award of credits in accordance with section 9 of this chapter.

Sec. 9. The department of workforce development shall certify the maximum amount of credit that a qualified employer is eligible for in a taxable year to the qualified employer. The maximum amount of credit that the department of workforce development may certify for a qualified employer for a taxable year is fifty thousand dollars (\$50,000).

Sec. 10. (a) A qualified employer that has a qualified employee who completes a basic skills training course and achieves a:

(1) general education degree (GED) or high school equivalent degree as defined by the state department of education under IC 20-20-6; or

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(2) skill level gain in mathematics, reading, or computer literacy as determined by the department of workforce development;

in a taxable year is entitled to a credit against the qualified employer's state tax liability for the taxable year.

(b) The amount of the credit to which the qualified employer is entitled for a particular qualified employee is the least of the following:

(1) Fifty percent (50%) of the qualified employer's costs for the qualified employee's tuition expenses and regularly assessed fees.

(2) Five hundred dollars (\$500).

(3) The balance of the credits awarded to the qualified employer for the taxable year that has not been applied toward the costs of another basic skills training course.

Sec. 11. If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a credit equal to:

(1) the credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 12. A taxpayer is not entitled to a carryforward, carryback, or refund of any unused credit.

Sec. 13. To receive a credit, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue or (in the case of the premiums tax) the department of insurance. A qualified employer must provide a copy of the certification letter received from the department of workforce development when the credit is claimed on the taxpayer's tax return.

Sec. 14. Not more than ninety (90) days after the end of a state fiscal year, the:

(1) department of state revenue; and

(2) department of insurance;

shall certify to the department of workforce development the name of each taxpayer awarded a credit and the total amount of credits claimed on tax returns processed during the immediately preceding state fiscal year.

Sec. 15. (a) The department of workforce development shall

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before June 1 of each year estimate the total amount of credits that will be certified under section 9 of this chapter for the following state fiscal year. The department of workforce development shall before June 30 of each year transfer to the state general fund as follows the amount estimated for the following state fiscal year:

(1) Fifty percent (50%) of the amount shall be transferred from the skills 2016 fund established by IC 22-4-10.5-2.

(2) Fifty percent (50%) of the amount shall be transferred from the special employment and training services fund established by IC 22-4-25-1.

(b) Notwithstanding subsection (a), for the state fiscal year beginning July 1, 2007, the department of workforce development shall before August 1, 2007, estimate the total amount of credits that will be certified under section 9 of this chapter in the state fiscal year beginning July 1, 2007, and shall make the transfer to the state general fund required by subsection (a) before September 1, 2007.

(c) The department of workforce development shall adjust each transfer made under subsection (a) to account for any amounts by which the transfer made under subsection (a) in the previous year was less than or greater than the amount of credits actually certified under section 9 of this chapter in the state fiscal year.

Sec. 16. The department of workforce development may audit each taxpayer to ensure that a qualified employer's qualified employees have completed the requirements that qualify a taxpayer for a credit granted under this chapter.

Sec. 17. This chapter expires December 31, 2008.

SECTION 3. IC 22-4-14-2, AS AMENDED BY P.L.108-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) An unemployed individual is eligible to receive benefits with respect to any week only if the individual has:

(1) registered for work at an employment office or branch thereof or other agency designated by the commissioner within the time limits that the department by rule adopts; ~~and~~

(2) subsequently reported with the frequency and in the manner, either in person or in writing, that the department by rule adopts; **and**

(3) complied with IC 22-4.1-17.

(b) Failure to comply with subsection (a) shall be excused by the commissioner or the commissioner's authorized representative upon a showing of good cause therefor. The department shall by rule waive or alter the requirements of this section as to such types of cases or

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situations with respect to which the department finds that compliance with such requirements would be oppressive or would be inconsistent with the purposes of this article.

(c) The department shall provide job counseling or training to an individual who remains unemployed for at least four (4) weeks. The manner and duration of the counseling shall be determined by the department.

(d) An individual who is receiving benefits as determined under IC 22-4-15-1(c)(8) is entitled to complete the reporting, counseling, or training that must be conducted in person at a one stop center selected by the individual. The department shall advise an eligible individual that this option is available.

SECTION 4. IC 22-4.1-17 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 17. Workforce Skill Advancement Project

Sec. 1. As used in this chapter, "project" refers to the workforce skill advancement project established by section 5 of this chapter.

Sec. 2. As used in this chapter, "regional workforce board" has the meaning set forth in IC 22-4.5-2-9.7.

Sec. 3. As used in this chapter, "work keys" means a three (3) stage standardized employability skills assessment tool implemented by the department.

Sec. 4. As used in this chapter, "workforce investment board" has the meaning set forth in IC 22-4.5-2-13.5.

Sec. 5. (a) The workforce skill advancement project is established.

(b) The department shall administer the project.

(c) The project includes the following components:

(1) Participation in an orientation to the one stop system and one stop partners. The orientation must include information about available jobs and the skills, certifications, and training necessary to qualify for the jobs.

(2) Completion of the work keys skills assessments for:

(A) reading for information;

(B) applied mathematics; and

(C) locating information.

Sec. 6. (a) Except as provided in section 8 of this chapter, if the department determines that an individual is eligible for unemployment insurance benefits under IC 22-4, the individual shall participate in the project.

(b) An individual who participates in the project shall

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participate in the skill remediation components for each skill area in which the individual's skill levels are deficient, as determined by the work keys skills assessment.

(c) An individual who applies for unemployment insurance and wants to work in a different occupational area than the area in which the individual was employed shall participate in a work keys skills assessment for the new occupational area. The individual shall participate in a skill remediation component for each occupational area in which the individual's skill levels are deficient, as determined by the work keys skills assessment.

Sec. 7. Each regional workforce board, together with local elected officials, shall develop a plan of short term training options, not to exceed six (6) weeks in length, and placement assistance to provide to individuals who participate in the project. To the extent possible, a regional workforce board shall use existing remediation software and adult education programs for skill remediation under this chapter.

Sec. 8. (a) For purposes of this section, an individual is job attached if the individual:

(1) expects to be recalled to a job within twelve (12) weeks after becoming separated from employment; and

(2) is not required to contact other employers or register for work until after the expiration of twelve (12) weeks; as confirmed by the department with the individual's employer.

(b) An individual who:

(1) is eligible for unemployment insurance as determined by the department; and

(2) is not job attached;

shall participate in the project unless the individual is exempt under subsection (c).

(c) The department, in consultation with the workforce investment boards and the regional workforce boards, shall develop a policy under which an individual described in subsection (b) is exempt from participation in the project if the individual's participation poses a hardship to the individual. A hardship may include the following:

(1) There is a lack of training provided within a reasonable distance from the individual's residence or most recent worksite.

(2) The individual has already been assessed and remediated by means of a suitable assessment tool, as determined by the department.

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(3) The individual possesses basic work skills that department and the regional workforce board determine are in demand.

(4) There are insufficient funds to provide training.

(d) An individual who is:

(1) job attached; and

(2) temporarily laid off;

may participate in the project at the discretion of the regional workforce board.

Sec. 9. (a) An individual who is required to participate in the project but fails to begin participation is ineligible for unemployment insurance benefits for the week in which the individual's participation is scheduled to begin and for each following week until the individual begins participation in the project.

(b) The department shall make a determination that an individual is ineligible for unemployment insurance benefits under subsection (a) in accordance with IC 22-4-17.

Sec. 10. The department, workforce investment boards, and regional workforce boards shall fund the project with set asides from the existing funds available from the following sources:

(1) Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(2) Workforce Investment Act (29 U.S.C. 2801 et seq.).

(3) Skills 2016 training fund established by IC 5-28-27-3.

The general assembly shall determine the amount of funding from each source.

Sec. 11. (a) Not later than June 1 of each year, each regional workforce board shall report to the department in an electronic format on the status of the regional workforce board's programs under this chapter.

(b) Not later than July 1 of each year, the department shall compile the reports submitted under subsection (a) and submit the compilation in an electronic format under IC 5-14-6 to the general assembly.

Sec. 12. The department may adopt rules under IC 4-22-2 to fulfill its duties and obligations under this chapter.

SECTION 5. [EFFECTIVE UPON PASSAGE] To carry out IC 6-3.1-31, as added by this act, the department of workforce development may adopt temporary rules in the manner provided for the adoption, filing, and publication of emergency rules under IC 4-22-2-37.1. A temporary rule adopted under this SECTION expires on the earlier of the following:

(1) The date that another temporary rule is adopted under

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1 **this SECTION to replace the previously adopted temporary**
2 **rule.**
3 **(2) January 1, 2009.**
4 SECTION 6. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]
5 **IC 6-3.1-31, as added by this act, applies to taxable years beginning**
6 **after December 31, 2006.**
7 SECTION 7. An emergency is declared for this act.

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SENATE MOTION

Madam President: I move that Senator Merritt be removed as author of Senate Bill 400 and that Senator Ford be substituted therefor.

MERRITT

SENATE MOTION

Madam President: I move that Senator Merritt be added as second author of Senate Bill 400.

FORD

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 400, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 3.

Page 4, delete lines 1 through 33.

Page 5, delete line 14.

Page 5, line 15, delete "(2)" and insert "(1)".

Page 5, line 16, delete "(3)" and insert "(2)".

Page 5, line 17, delete "(4)" and insert "(3)".

Page 5, line 36, delete "and".

Page 5, line 38, after "employer" delete "." and insert "; and

(3) tuition and regularly assessed fees that are eligible for the credit under this chapter."

Page 5, line 41, after "employer." insert "**The maximum amount of credit that the department of workforce development may certify for a qualified employer for a taxable year is fifty thousand dollars (\$50,000).**".

Page 6, line 11, after "entitled" insert "**for a particular qualified employee**".

Page 6, line 12, delete "a" and insert "**the**".

Page 6, line 13, after "expenses" delete "." and insert "**and regularly assessed fees.**".

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Page 7, delete lines 2 through 4, begin a new paragraph and insert:

"Sec. 15. (a) The department of workforce development shall before June 1 of each year estimate the total amount of credits that will be certified under section 9 of this chapter for the following state fiscal year. The department of workforce development shall before June 30 of each year transfer to the state general fund as follows the amount estimated for the following state fiscal year:".

Page 7, between lines 9 and 10, begin a new paragraph and insert:

"(b) Notwithstanding subsection (a), for the state fiscal year beginning July 1, 2007, the department of workforce development shall before August 1, 2007, estimate the total amount of credits that will be certified under section 9 of this chapter in the state fiscal year beginning July 1, 2007, and shall make the transfer to the state general fund required by subsection (a) before September 1, 2007.

(c) The department of workforce development shall adjust each transfer made under subsection (a) to account for any amounts by which the transfer made under subsection (a) in the previous year was less than or greater than the amount of credits actually certified under section 9 of this chapter in the state fiscal year."

Page 7, delete lines 15 through 24.

Page 7, line 26, after "IC 6-3.1-31" insert ",".

Page 7, line 26, delete "and IC 22-4-25-3, both".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 400 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed Senate Bill 400, which is eligible for third reading, be returned to second reading for purposes of amendment.

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SENATE MOTION

Madam President: I move that Senate Bill 400 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-28-27-3, AS ADDED BY P.L.202-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The skills 2016 training fund is established to do the following:

- (1) Administer the costs of the skills 2016 training program established under IC 22-4-10.5.
- (2) Undertake any program or activity that furthers the purposes of IC 22-4-10.5.
- (3) Refund skills 2016 training assessments erroneously collected and deposited in the fund.

(b) **Except as provided in IC 22-4.1-17**, the money in the fund shall be allocated as follows:

- (1) An amount to be determined annually shall be set aside for the payment of refunds from the fund.
- (2) The remainder of the money in the fund shall be allocated to employers or consortiums for incumbent worker training grants that enable workers to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to the state educational institution established under IC 20-12-61 to be the provider of the training funded under this chapter whenever the state educational institution:

- (1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and
- (2) is the most cost effective provider.

(d) For the incumbent worker training grants described in subsection (b), the department of workforce development shall do the following:

- (1) Provide grant applications to interested employers and consortiums.
- (2) Accept completed applications for the grants.
- (3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:
 - (A) the applicant;

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- (B) the training to be offered;
- (C) the training provider; and
- (D) the workers to be trained.

(4) Prepare summaries or other reports to assist the secretary of commerce in reviewing the grant applications.

(e) The department of workforce development shall forward the grant applications and other information collected or received by the department under subsection (d) to the secretary of commerce who shall allocate the money in the fund in accordance with subsections (b) and (c), after considering the information provided by the department of workforce development.

(f) The corporation shall enter into an agreement with the department of workforce development for the department of workforce development to administer the fund using money appropriated from the fund.

(g) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(h) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(i) The fund consists of the following:

- (1) Assessments deposited in the fund.
- (2) Earnings acquired through the use of money belonging to the fund.
- (3) Money deposited in the fund from any other source.
- (4) Interest and penalties collected.

(j) Any balance in the fund does not lapse but is available continuously to the corporation for expenditures for the program established under IC 22-4-10.5 consistent with this chapter, after considering any information concerning an expenditure provided by the department of workforce development."

Page 1, line 2, after "EFFECTIVE" insert "JANUARY 1, 2007 (RETROACTIVE)]:".

Page 1, delete line 3.

Page 2, delete lines 21 through 23, begin a new paragraph and insert:

"(b) For each specified state fiscal year, the department of workforce development may award not more than the following amounts of tax credits under this chapter:

- (1) For the state fiscal year beginning July 1, 2007, five million dollars (\$5,000,000).**
- (2) For the state fiscal year beginning July 1, 2008, the sum of:**

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(A) two million five hundred thousand dollars (\$2,500,000); plus

(B) the amount by which the subdivision (1) amount exceeds the amount of tax credits that the department awards under this chapter during the state fiscal year beginning July 1, 2007."

Page 2, between lines 30 and 31, begin a new paragraph and insert:

"(d) The department of workforce development shall process employer applications for an award of credits under this chapter in the order the applications are received. If the department of workforce development determines that an employer applicant meets the qualifications developed under subsection (c)(1), the department of workforce development shall immediately certify the employer for an award of credits in accordance with section 9 of this chapter."

Page 4, line 22, delete "shall" and insert "**may**".

Page 4, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 3. IC 22-4-14-2, AS AMENDED BY P.L.108-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) An unemployed individual is eligible to receive benefits with respect to any week only if the individual has:

(1) registered for work at an employment office or branch thereof or other agency designated by the commissioner within the time limits that the department by rule adopts; ~~and~~

(2) subsequently reported with the frequency and in the manner, either in person or in writing, that the department by rule adopts; **and**

(3) complied with IC 22-4.1-17.

(b) Failure to comply with subsection (a) shall be excused by the commissioner or the commissioner's authorized representative upon a showing of good cause therefor. The department shall by rule waive or alter the requirements of this section as to such types of cases or situations with respect to which the department finds that compliance with such requirements would be oppressive or would be inconsistent with the purposes of this article.

(c) The department shall provide job counseling or training to an individual who remains unemployed for at least four (4) weeks. The manner and duration of the counseling shall be determined by the department.

(d) An individual who is receiving benefits as determined under IC 22-4-15-1(c)(8) is entitled to complete the reporting, counseling, or training that must be conducted in person at a one stop center selected

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by the individual. The department shall advise an eligible individual that this option is available.

SECTION 4. IC 22-4.1-17 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 17. Workforce Skill Advancement Project

Sec. 1. As used in this chapter, "project" refers to the workforce skill advancement project established by section 5 of this chapter.

Sec. 2. As used in this chapter, "regional workforce board" has the meaning set forth in IC 22-4.5-2-9.7.

Sec. 3. As used in this chapter, "work keys" means a three (3) stage standardized employability skills assessment tool implemented by the department.

Sec. 4. As used in this chapter, "workforce investment board" has the meaning set forth in IC 22-4.5-2-13.5.

Sec. 5. (a) The workforce skill advancement project is established.

(b) The department shall administer the project.

(c) The project includes the following components:

(1) Participation in an orientation to the one stop system and one stop partners. The orientation must include information about available jobs and the skills, certifications, and training necessary to qualify for the jobs.

(2) Completion of the work keys skills assessments for:

(A) reading for information;

(B) applied mathematics; and

(C) locating information.

Sec. 6. (a) Except as provided in section 8 of this chapter, if the department determines that an individual is eligible for unemployment insurance benefits under IC 22-4, the individual shall participate in the project.

(b) An individual who participates in the project shall participate in the skill remediation components for each skill area in which the individual's skill levels are deficient, as determined by the work keys skills assessment.

(c) An individual who applies for unemployment insurance and wants to work in a different occupational area than the area in which the individual was employed shall participate in a work keys skills assessment for the new occupational area. The individual shall participate in a skill remediation component for each occupational area in which the individual's skill levels are deficient, as determined by the work keys skills assessment.

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Sec. 7. Each regional workforce board, together with local elected officials, shall develop a plan of short term training options, not to exceed six (6) weeks in length, and placement assistance to provide to individuals who participate in the project. To the extent possible, a regional workforce board shall use existing remediation software and adult education programs for skill remediation under this chapter.

Sec. 8. (a) For purposes of this section, an individual is job attached if the individual:

- (1) expects to be recalled to a job within twelve (12) weeks after becoming separated from employment; and**
- (2) is not required to contact other employers or register for work until after the expiration of twelve (12) weeks;**

as confirmed by the department with the individual's employer.

(b) An individual who:

- (1) is eligible for unemployment insurance as determined by the department; and**
- (2) is not job attached;**

shall participate in the project unless the individual is exempt under subsection (c).

(c) The department, in consultation with the workforce investment boards and the regional workforce boards, shall develop a policy under which an individual described in subsection (b) is exempt from participation in the project if the individual's participation poses a hardship to the individual. A hardship may include the following:

- (1) There is a lack of training provided within a reasonable distance from the individual's residence or most recent worksite.**
- (2) The individual has already been assessed and remediated by means of a suitable assessment tool, as determined by the department.**
- (3) The individual possesses basic work skills that department and the regional workforce board determine are in demand.**
- (4) There are insufficient funds to provide training.**

(d) An individual who is:

- (1) job attached; and**
- (2) temporarily laid off;**

may participate in the project at the discretion of the regional workforce board.

Sec. 9. (a) An individual who is required to participate in the project but fails to begin participation is ineligible for

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unemployment insurance benefits for the week in which the individual's participation is scheduled to begin and for each following week until the individual begins participation in the project.

(b) The department shall make a determination that an individual is ineligible for unemployment insurance benefits under subsection (a) in accordance with IC 22-4-17.

Sec. 10. The department, workforce investment boards, and regional workforce boards shall fund the project with set asides from the existing funds available from the following sources:

- (1) Wagner-Peyser Act (29 U.S.C. 49 et seq.).
- (2) Workforce Investment Act (29 U.S.C. 2801 et seq.).
- (3) Skills 2016 training fund established by IC 5-28-27-3.

The general assembly shall determine the amount of funding from each source.

Sec. 11. (a) Not later than June 1 of each year, each regional workforce board shall report to the department in an electronic format on the status of the regional workforce board's programs under this chapter.

(b) Not later than July 1 of each year, the department shall compile the reports submitted under subsection (a) and submit the compilation in an electronic format under IC 5-14-6 to the general assembly.

Sec. 12. The department may adopt rules under IC 4-22-2 to fulfill its duties and obligations under this chapter."

Page 4, between lines 36 and 37, begin a new paragraph and insert:
 "SECTION 6. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] IC 6-3.1-31, as added by this act, applies to taxable years beginning after December 31, 2006."

Re-number all SECTIONS consecutively.

(Reference is to SB 400 as printed February 9, 2007.)

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